

**Remarks**

This Amendment is being submitted along with a Request for Continued Examination. It is requested that further examination of the Application, as herein amended, be undertaken by the Office in lieu of the present Appeal.

The Office Action mailed August 12, 2003 as well as the Examiner's Answer mailed October 7, 2004 and other papers of record in this Application have been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-2, 6-9, and 12-20 are now pending in this Application, as herein amended. Claims 4, 5, 10, and 11 were cancelled in the Appeal. Claim 3 is cancelled in this Amendment. Claims 13-20 are newly added. Claims 1 and 7 are amended. No new matter has been added.

The rejection of Claims 1-3 and 6 under 35 U.S.C. 102(a) as being anticipated by Harrington, U.S. Patent No. 5,895,454 is respectfully traversed.

No extension of time is believed to be required for entry of this Amendment. However, if an extension of time and/or additional fees are required for entry of this Amendment, authorization is hereby given to consider this a request for the necessary extension of time and/or to charge the Deposit Account shown on the fee calculation sheet the necessary additional fees to enter this amendment.

In the Examiner's answer, the Office argued that Harrington discloses a network-based parts distribution system having a plurality of buyer computers for operation by a system participant, a plurality of seller computer for operation by a system participant, a server computer, wherein these computers are connected into a computer network. The Office also argued that available parts were sorted into a database into a plurality of categories. The Office gave no patentable weight to the claim limitation regarding the sub-inventory categories.

However, even assuming, for the sake of argument, that everything in the August 12, 2003 Office Action as well as the October 7, 2004 Examiner's Answer regarding Harrington is correct, the systems and methods disclosed by Harrington are generally intended for use by the public at large. See col. 2, lines 15-20. Also, the invention appears to be directed to focused searching on the Internet. Thus, it is submitted that there is no teaching or suggestion of obtaining agreements from system participants, including buyers and sellers, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers, as agreements of this nature are simply not contemplated by Harrington.

In contrast with Harrington, Claim 1, as herein amended, recites "... a signed master agreement between said system participants, including said system participants desiring to sell parts and said system participants wishing to obtain parts, said master agreement specifying terms of blanket purchase orders and said master agreement providing for auditing to check accuracy of said part-related data received from said seller computer; and said server computer configured to relay a purchase order consistent with said specified terms of blanket purchase orders issued by one of said buyer computers to an appropriate one of said seller computers." See page 7, lines 1-13 and page 7, 22-30 of the Application as originally filed, as well as Claim 3 as originally filed. Thus, it is submitted that Claim 1 is patentable over Harrington.

Because recitations from Claim 3 have been incorporated into the subject matter of Claim 1, Claim 3 has been cancelled. Therefore, this rejection no longer applies to Claim 3.

Claims 2 and 6 depend directly upon Claim 1. When the recitations of Claims 2 and 6 are considered in combination with the recitations of Claim 1, it is submitted that Claims 2 and 6 are likewise patentable over Harrington.

For the above reasons, it is requested that the rejection of Claims 1-3 and 6 under 35 U.S.C. 102(a) as being anticipated by Harrington be withdrawn.

The rejection of Claims 7-9 and 12 under 35 U.S.C. 103(a) as being unpatentable over Harrington is respectfully traversed.

The Office asserted that Harrington taught all elements of Claims 7-9 and 12 except for specifically disclosing that sub-inventory categories can be based on part conditions. The Office asserted that it would have been obvious to have modified the method of Harrington to include sorting of parts in at least one inventory category into a plurality of sub-inventory categories and to do so based on part conditions.

Even assuming, for the sake of argument, that all of the assertions with respect to Harrington are true, Harrington still does not teach or suggest obtaining agreements from system participants, including buyers and sellers, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers, as agreements of this nature are simply not contemplated by Harrington. Moreover, it is submitted that such contracting is not obvious to one of ordinary skill in the art, especially in connection with systems such as those taught by Harrington, which are general purpose systems designed to facilitate general commerce on the Internet rather than to serve a specific, regulated group of buyers and sellers.

By contrast, Claim 7, as herein amended, recites "... obtaining agreements from system participants, including buyers and sellers, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers ...". No such step is taught or suggested by Harrington because no such agreements are contemplated by Harrington. Therefore, it is submitted that Claim 7 as herein amended is patentable over Harrington.

Claims 8, 9, and 13 depend directly upon Claim 7. When the recitations of Claims 8, 9, and 13 are considered in combination with the recitations of Claim 7, it is submitted that

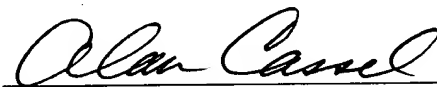
Claims 8, 9, and 13 are likewise patentable over Harrington. Moreover, Claim 9 has been amended to recite using said server computer "to relay a purchase order consistent with the agreement ...", which is neither taught nor suggested by Harrington. See page 7, lines 1-13 and page 7, 22-30 of the Application as originally filed.

For the above reasons, it is requested that the rejection of Claims 7-9 and 12 under 35 U.S.C. 103(a) as being unpatentable over Harrington be withdrawn.

Claims 13-21 are all new. Claim 13 recites steps that include obtaining agreements from system participants and issuing a purchase order consistent with the agreement, and thus is patentable over the applied prior art for reasons similar to the claims discussed above. Claims 14-21 each depend directly or indirectly upon Claim 13. When the recitations of Claims 14-21 are considered in combination with the recitations of Claim 13, it is submitted that Claims 14-21 are likewise patentable over the cited prior art.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,



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